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INFO LDG-00 ADS-00 INR-10 EUR-00 59-00 CIAE-00 H-01 NSCE-00 DODE NSAE-00 880-00 L-03 PM-10 PA-01 INRE-00 ACDA-12 USIE-00 8P-02 C-01 PRS-01 /043 W P-02

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FM AMEMBASSY BEIJING
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INFO AMEMBASSY TOKYO
AMEMBASSY SECUL
AMEMBASSY BANGKOK
AMEMBASSY MOSCOW

CONFIDENTIAL SECTION OF 02 BEIJING 18445

S/S-0 PLEASE PASS SECRETARY'S PARTY

E.O. 12356: DECL: DADR
TAGS: PREL, CH, XC, UR, OVIP (SHULTZ, GEORGE)
SUBJECT: CHINESE VICE FOREIGN MINISTER ON
SECRETARY'S VISIT

1. C - ENTIRE TEXT.

2. SUMMARY: AT JULY 2 LUNCHEON FOR THE AMBASSADOR, CHINESE VICE FOREIGN MINISTER ZHU QIZHEN SUGGESTED THAT THE SECRETARY AND FOREIGN MINISTER QIAN FOCUS PARTICULARLY ON THE SOVIET UNION AND CAMBODIA IN THEIR UPCOMING TALKS HERE. THE AMBASSADOR ADDED KOREA, AFGHNISTAN AND THE MIDDLE EAST/PERSIAN GULF, INCLUDING ARMS SALES AREAS. ZHU RECOMMENDED THAT THE SECRETARY AND QIAN DEVOTE THREE INSTEAD OF THO HOURS TO INTERNATIONAL AND BILATERAL TOPICS.

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3. VICE MINISTER ZHU QIZHEN HOSTED JULY 2

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CONFIDENTIAL LUNCHEDN AT DIAO YUTAI FOR AMBASSADOR LORD TO DISCUSS A NUMBER OF BILATERAL ISSUES, INCLUDING THE SECRETARY'S VISIT. ALSO ATTENDING WERE AMBASSADOR HAN XU, ASSISTANT FOREIGN MINISTER LIU HUAGIU AND DCM.

4. ZHU STATED THE CHINESE GOVERNMENT PLACES PARTICULAR IMPORTANCE ON THE VISIT BY THE SECRETARY. HE RECALLED THAT OVER THE YEARS THE SECRETARY HAS FORMED CLOSE PERSONAL RELATIONS WITH MANY CHINESE LEADERS, INCLUDING TIAN JIYUN WHO HAS JUST VISITED THE U.S. AND, OF COURSE, HIS FORMER COLLEAGUE AS FOREIGN MINISTER, NOW VICE PREMIER, MU XUEGIAN. STATED THAT THE CHINESE SUGGESTED SCHEDULE, TO BE CONVEYED TO THE EMBASSY IN THE NEXT FEW DAYS, INCLUDES THREE HOURS OF TALKS WITH CHINESE FOREIGN HINISTER GIAN GICHEN. (NOTE: HE NOTE THAT LAST SCHEDULE CABLED FROM THE DEPARTMENT AND PASSED INFORMALLY TO THE CHINESE HERE CALLS FOR TWO HOURS. END NOTE.)

5. ZHU STATED THAT ALL TOO OFTEN TIME IS INSUFFICIENT FOR DETAILED EXCHANGES DURING HIGH LEVEL MEETINGS. HE RECOMMENDED THAT THE SECRETARY AND GIAN GIVE PRIORITY TO THO ISSUES:

-- SIND-SOVIET RELATIONS -- BOTH SIDES BRIEF ON DEVELOPMENTS IN THEIR RELATIONS WITH MOSCOW, AND

-- CAMBODIA -- DISCUBS THE EVENTS NOW UNFOLDING CONFIDENTIAL .

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ON THIS ISSUE.

ZHU SAID THE CHINESE HOPE THAT THEIR PROPOSED THREE HOURS OF THE SECRETARY'S TALKS WITH QIAN WILL COVER ALL INTERNATIONAL AND BILATERAL ISSUES OF INTEREST TO EACH SIDE. VICE PREMIER WU AND THE SECRETARY CAN FOLLOW UP ON SELECTED TOPICS IN GREATER DEPTH. (COMMENT: ZHU'S STATEMENTS ON PRIORITIES IMPICHTE THAT WU WILL PROPADLY WANT TO DISCUSS SOVIE) DEVELOPMENTS AND

CONFIDENTIAL CAMBODIA DURING HIS LUNCHEON FOR THE SECRETARY. END COMMENT.)

IN RESPONSE TO ZHU'S QUESTION, AMBASSADOR LORD STATED THAT THE SECRETARY WOULD PROBABLY ALSO WANT TO DISCUSS KOREA-RELATED MATTERS, GIVEN DEVELOPMENTS ON THE PENINSULA AND THE APPROACHING OLYMPICS. AFGHANISTAN, TOO, HOULD BE A LIKELY TOPIC, AS THE SOVIETS UNDERTAKE THEIR HISTORIC HITHDRAWAL. MOSCOH'S INTENTIONS REMAIN UNCLEAR, AS IT CONTINUES TO COURT IRAN AND PAKISTAN. AMBASSADOR THEN COMMENTED THAT THE SECRETARY HAS RECENTLY GIVEN THE MIDDLE EAST A GOOD DEAL OF ATTENTION, ADDING THAT IT HOULD BE VERY USEFUL TO DISCUSS THE MIDDLE EAST AND PERSIAN GULF REGIONS WHERE EVENTS OF CONSIDERABLE IMPORTANCE ARE UNFOLDING. IN THIS REGARD, THE AMBASSADOR NOTED THAT THE ARMS SALES TO IRAN AND OTHER COUNTRIES IN THIS VOLATILE REGION WERE AFFECTING REGIONAL STABILITY AND WERE OF INTERNATIONAL SIGNIFICANCE. THEY TOO SHOULD BE DISCUSSED HE ZHU STATED HIS AGREEMENT WHEN THE AMBASSADOR RAISED KOREA AND AFGHANISTAN, BUT DID NOT GEBPOND

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C O N F I D E N T I A L SECTION 02 OF 02 BEIJING 18445

S/S-O PLEASE PASS SECRETARY'S PARTY

E.O. 12356: DECL: DADR TAGS: PREL, CH, XC, UR, DVIP (SHULTZ, GEORGE) SUBJECT: CHINESE VICE FOREIGN MINISTER ON

DIRECTLY TO THE AMBASSADOR'S COMMENTS REGARDING THE MIDDLE EAST/PERSIAN GULF REGION AND ARMS SALES.

ZHU STATED THAT DISCUSSION ON INTERNATIONAL 7. TOPICS WOULD LIKELY EXCEED THO HOURS. REMAINING TIME -- LESS THAN AN HOUR -- COULD BE USED FOR BILATERAL TOPICS HE SAID. THE AMBASSADOR RESPONDED THAT THE SECRETARY WILL PROBABLY WISH TO DISCUSS BILATERAL ECONOMIC ON THE PEACE CORPS, HE RECALLED THAT TIES. AGREEMENT IN PRINCIPLE HAD BEEN ANNOUNCED DURING WU'S VISIT TO THE U.S. THE AMBABSADOR THOUGHT THAT THE SECRETARY MIGHT BE INTERESTED CONFIDENTIAL CONFIDENTIAL

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IN WHAT PROGRESS IS BEING MADE ON THE PEACE CORPS ISSUE, INCLUDING ON THE VISIT OF A PEACE

CONFIDENTIAL CORPS TEAM FOR PRELIMINARY EXCHANGES WITH CHINESE OFFICIALS.

- 8. RESPONDING TO QUESTIONS, ZHU THOUGHT THAT EITHER LI PENG OR ZHAO ZIYANG HOULD WANT TO FOCUS PRIMARILY ON CHINA'S ECONOMIC REFORMS IN THEIR MEETING WITH THE SECRETARY. AVOIDING SPECIFIC CONFIRMATION ON SCHEDULING OF A DENG XIAOPIN( MEETING, ZHU SAID DENG WILL HANT TO DHELL ON "STRATEGIC" TOPICS, SINCE HE IS NOT INVOLVED IN DAY TO DAY AFFAIRS. IT WAS DIFFICULT TO ASCERTAIN IF (NOTE: THE REFERENCE TO STRATEGIC MEANT THE INTERNATIONAL SITUATION OR THE BROAD REFORMIST CURRENTS UNDERWAY IN CHINA TODAY. DURING HIS 1986 MEETING WITH THE SECRETARY, DENG DISCUSSED CHINESE INTERNAL DEVELOPMENTS, INCLUDING STUDENTS, DEVELOPMENTS WITHIN THE USSR AND PROSPECTS FOR A SINO-SOVIET SUMMIT. END NOTE).
- DURING THE LUNCHEON, LIU HUAGIU NOTED THAT TIAN JIYUN WITH AN UNNAMED CHINESE PARTNER WOULD BE PLAYING TENNIS WITH THE SECRETARY AND THE AMBASSADOR ON FRIDAY MORNING. LIU ALBO MENTIONED TO THE DCM THAT THE CHINESE CONTINUE TO "STUDY" U.S. SKYLINK DOCUMENTS. (AT EMBASSY JULY 4 RECEPTION, CHINESE MFA OFFICIAL LI ZHENHUA WAS SOMEWHAT MORE POSITIVE, STATING THAT THE SKYLINK DOCUMENTS ARE UNDER "ACTIVE CONSIDERATION".)
- 10. COMMENT: THE CHINESE CLEARLY HOPE THAT GIAN'S CONFIDENTIAL CONFIDENTIAL

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BILATERALS WITH THE SECRETARY WILL BE THREE INSTEAD OF THO HOURS. HHILE THIS DOES NOT ACKNOWLEDGE THE RELATIVELY BRIEF TIME THE SECRETARY WILL SPEND IN BEIJING AND THE OPPORTUNITY FOR EXCHANGES AT TWO BANQUETS, THEY MAY WISH TO CONDUCT MORE IN-DEPTH DISCUSSIONS ON SOME KEY INTERNATIONAL ISSUES AT A CRITICAL STAGE, SUCH AS THE USGSR AND CAMBODIA. EMBASSY BELIEVES THAT THREE HOURS OF TALKS WITH GIAN ON INTERNATIONAL AND EYLATERAL TOPICS WILL BE PUT TO GOOD USE, BUT GHLY IF THIS DOES NOT MEAN

CONFIDENTIAL AN OVERWORKED SCHEDULE. WE ANTICIPATE THAT THE CHINESE WILL PROVIDE OF WITH A COPY OF THEIR SUGGESTED SCHEDULE. WITH A HEXT TWO DAYS. LORD

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